

Montgomery County property taxes likely to be an issue after elections

Ficker brings up subject as an election issue

by Erin Cunningham | Staff Writer

Some Republicans vying for a seat on the Montgomery County Council are warning voters that Democrats — especially incumbents — want to raise county property taxes next year.

And while at least some incumbents say they are not inclined to do so, experts say they might not have a choice.

"County budgets are all going to be very tight next year," said Neal Bergsman, director of the Maryland Budget and Tax Policy Institute. "The property tax rate is going to be hard to avoid."

County budgets, already strained by a dip in property values, a stagnant economy and previous reductions in state funds, are bracing for a potential shift in the responsibility of teacher pensions from the state to the counties.

In Montgomery County, the amount of property tax revenue has risen every year since at least 1992 — and was raised above the rate of inflation four of those years.

The charter permits property tax revenue to increase at the rate of inflation — or more than the inflation rate with nine affirmative votes. The council voted to exceed the charter limit in four years since 1992 — in 2002, 2003, 2004 and 2008, according to Chuck Sherer, a legislative analyst for the council.

For the current year, the average property tax rate for homes and businesses is 90.4 cents per \$100 of assessed property value. In fiscal 2011, the council budgeted about \$1.5 billion in property tax revenue, more than double the \$683 million that was anticipated in fiscal 1992.

Currently, for a home in the county valued at \$500,000, the property tax bill is about \$4,520 a year, minus the income tax offset credit of \$692, Sherer said.

"I think a large property tax increase in Montgomery County is a given unless you have someone on the council to say 'no,'" said Robin Ficker, a Republican candidate for council in District 2.

Ficker authored a charter amendment that passed by referendum in the 2008 election that requires a unanimous vote of the nine-member council to raise the county's property tax revenue above the rate of inflation.

Rob Vricella, a Chevy Chase Village Republican candidate trying to unseat Councilman Roger Berliner (D-Dist. 1) of Potomac, has criticized Berliner for his votes to increase taxes. In a recent letter to The Gazette, Vricella said he would never vote to increase property taxes above the charter limit.

"I am for limiting tax increases to the rate of inflation. I am not anti-tax," said Ficker, who has made the property tax issue central to his campaign against state Del. Craig L. Rice (Dist. 15) of Germantown, Ficker's Democratic opponent in the council race.

The outgoing councilman in District 2, Michael J. Knapp (D) of Germantown, who is not seeking a new term, says he believes there's a 50-50 chance of the council seeking a property tax increase next year.

"In the first year of a new four-year term, I think that's on every legislator's mind," he said.

Ficker and others speculate that after the Nov. 2 election, elected leaders will increase taxes in 2011, hoping that voters will forget by the time those officials are up for re-election in 2014.

Ficker has said publicly that Rice will vote to raise taxes over the charter limit, a claim Rice says is untrue.

"That is not an option," Rice said of raising property taxes.

Ficker said Rice's name appeared on campaign literature to defeat the Ficker Amendment on property taxes. Rice says his name was included along with the entire Montgomery County delegation in Annapolis, but he took no other actions to defeat the measure.

Unless there were a "dire emergency where our economy basically blew up," he would support keeping property taxes at the rate of inflation, Rice said.

Council President Nancy M. Floreen (D-At large) of Garrett Park said she will not vote to raise property taxes above the charter limit next year and says Ficker's claims are false.

"Since I wouldn't vote for a property tax increase it would not happen," Floreen said, referring to the council's need for a unanimous vote.

Councilman Philip M. Andrews (D-Dist. 3) of Gaithersburg predicts there might be a push to raise more revenue by increasing taxes in order to fund pay hikes for county employees, who did not receive increases this year.

While Andrews would not rule out a tax increase, he did say he would not support an increase to pay for salary increases.